

Annexation and Annexed Properties

City Point Person – **Joe Horwedel**, Director of Planning, Building, and Code Enforcement, and **James Helmer**, Director of Transportation

County Point Persons – **Sylvia Gallegos**, Deputy County Executive, and **Michael Murdter**, Director of Roads and Airports

Est. Completion Date: 2011.

Synopsis: The City agreed to annex all of the County pockets less than 150 acres that are in the City's urban service area and make good faith efforts to annex those pockets that are greater than 150 acres. The County agreed to absorb the cost of surveying and map preparation, and make road improvements, etc.

Background: As part of the recent City/County Settlement Agreement, the City is required to annex, by April 15, 2011, all of the county pockets of 150 acres or less in the City's urban service area. In addition, the City agreed to make good faith efforts to annex pockets greater than 150 acres. Although not required by the Settlement Agreement, the County has agreed to absorb the cost of the preparation of maps, Assessor and Surveyor costs, as well as fund road improvements consistent with its practices countywide to promote annexation. LAFCO staff and the City also identified San Jose islands that had been included in the Urban Pockets Maps prepared by the County, but which are not eligible for the streamlined island annexation process because some portions of the parcels in the islands are located outside of the City's urban service area.

City View: To date, the City has annexed 32 County pockets, covering 230 acres and including approximately 700 residents. Five pockets are scheduled for annexation hearings in September and October of this year, covering approximately 420 acres and 5,000 residents. The 2009 program includes 5 pockets covering 420 acres and 8100 residents. The 2010 program includes 7 islands covering 350 acres and 2100 residents. The large pockets over 150 acres are planned for consideration in 2011.

Road Improvements: For County pockets less than 150 acres, the City will be assuming responsibility for 37 miles of streets. It is acknowledged that the County streets were not designed to City standards and are lacking features such as sidewalks, lighting, curbs, and drainage. It is agreed that the County is not responsible to upgrade roads to City standards, however County staff has agreed to provide an appropriate pavement maintenance treatment for roadways with a condition rating below a 70 Pavement Condition Rating (PCI). City and County staff have generally agreed to the scope of pavement maintenance work and have estimated the cost of work to be approximately \$3.3 million. One outstanding issue under discussion relates to the installation of ADA curb ramps. A letter of understanding is being prepared to document the scope and implementation plan for the work. However, County staff reports that the pavement work is subject to budget appropriation action by the Board of Supervisors. City staff recommends that the County Board affirm their funding commitment to provide

warranted pavement maintenance work for County pocket streets. A source of future funds available to the County for this work includes the County's allocation of State Proposition 42 road maintenance funds estimated to be \$12 million annually starting in FY 2008-09.

Records Transfer: The City would also like to initiate discussions on the sharing of information for County pockets. The City would like to obtain the plans for infrastructure, utilities, improvements, and tracts for these areas. The City would also like to obtain building permit records for these areas. This information is vital for the City to effectively provide services and development review after the County pockets are annexed.

County View:

The County will work closely with the City to effect the annexation of the urban pockets. It is incumbent upon the City to determine the best way to ensure that the pockets not eligible for the streamlined annexation process, and, possibly more islands, be annexed in order to meet the provisions of the 2006 Settlement Agreement.

The County has expended over \$1.2 million since 2005 to assist cities with the costs associated with the annexation process (including Surveyor and Assessor costs, map preparation, and Board of Equalization filing fees) and to make pre-annexation road improvements for roads not meeting a Pavement Condition Index of 70.



Countywide Island Annexations

- 67 Islands have been annexed countywide to-date.
- 972 Acres.
- 2,402 Residents.
- Of the 67 Islands, San Jose has annexed 32 to-date.



Countywide Island Annexations

In FY06, the Board of Supervisors allocated \$700,000 to assist cities with the costs of streamlined annexations:

- \$250,000 for Surveyor, Assessor, and Board of Equalization costs.
- \$450,000 for road improvements in islands.

The Road Fund has also contributed \$806,000.

Total To-Date: \$1.5 million.



San Jose Island Annexations

San Jose Pockets	Annexed Pockets To-Date	Remaining Pockets	Breakdown of Remaining Pockets
No. of Pockets	32	27	19 are ≤ 150 acres 8 are $150 >$ acres
No. of Acres	230	4,734	1,251 acres are in pockets ≤ 150 acres 3,483 acres are in pockets > 150 acres
No. of Residents	695	40,233	15,013 in pockets ≤ 150 acres 25,220 in pockets > 150 acres



Arrangement with Cities for Road Improvements

- County providing pre-annexation roadwork consistent with countywide practice.
- City/County in agreement with respect to technical issues related to proposed road improvements.
- Need close schedule coordination to allow County Roads to plan/budget/execute improvements prior to annexation.

County Island Annexation Program

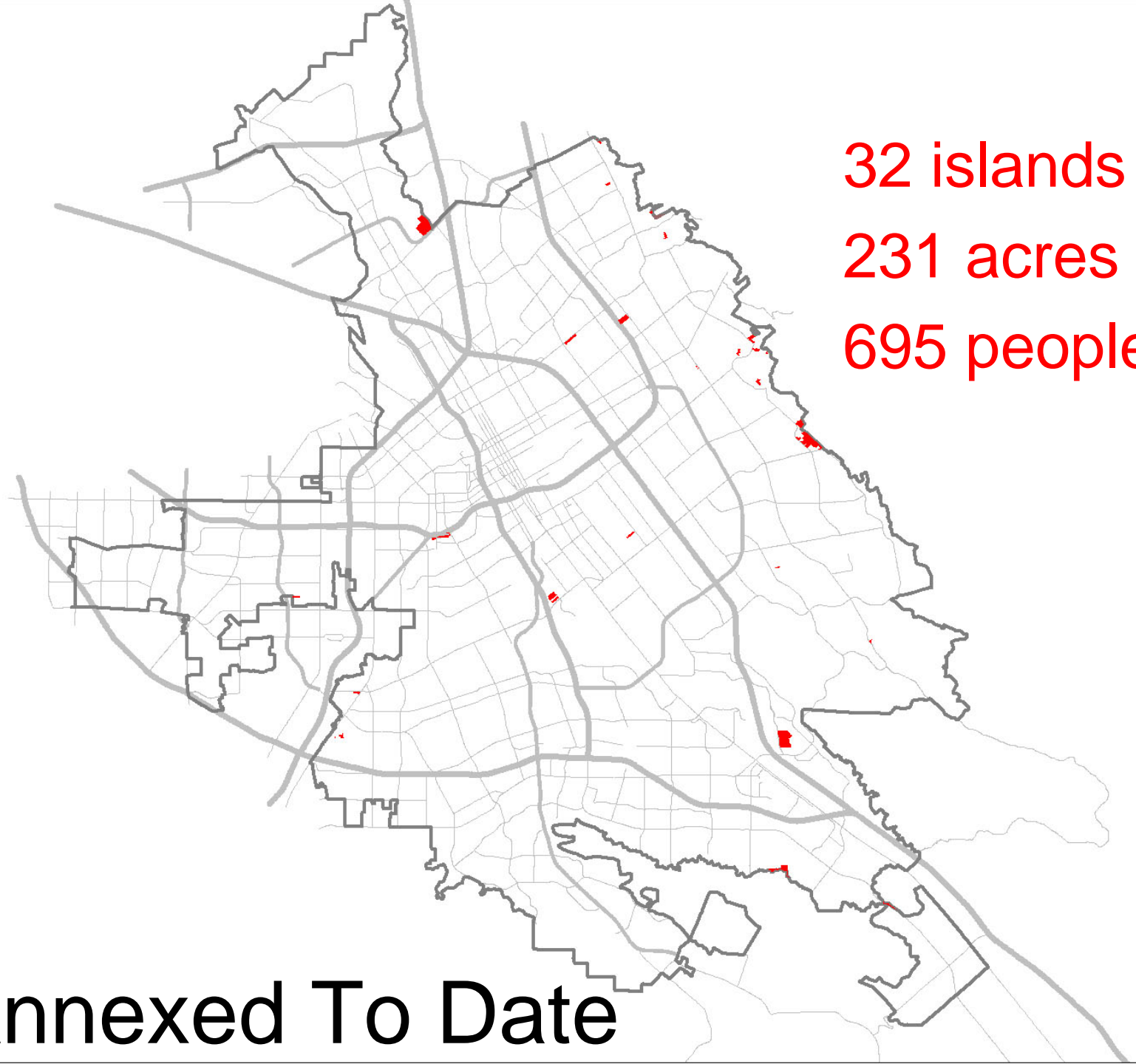
Annexation of 'islands' of unincorporated land within
the City's Urban Service Area boundary

Program stems from the 2006 settlement agreement
between the County and the City

www.sanjoseca.gov/planning/annex

County Island Annexation Program

- Launched in April 2006, this is a 3-5 year program to annex about 50 county islands of 150 acres or less.
- The Program is projected to add more than 5,000 households and over 1,300 acres to the City.
- To date, 32 islands covering 230 acres have been annexed.
- Five annexation areas are scheduled for Council in September and October. These are the first of the larger areas to be annexed as part of the 3rd Phase of the program.



32 islands
231 acres
695 people

Annexed To Date

A map of a coastal area with a grid of streets. Several small, irregularly shaped areas are highlighted in red and black. The red areas are located in the central-left part of the map, and the black areas are located in the upper-right and lower-left parts. The map is titled 'Districts 1 & 6' in red text.

Districts 1 & 6

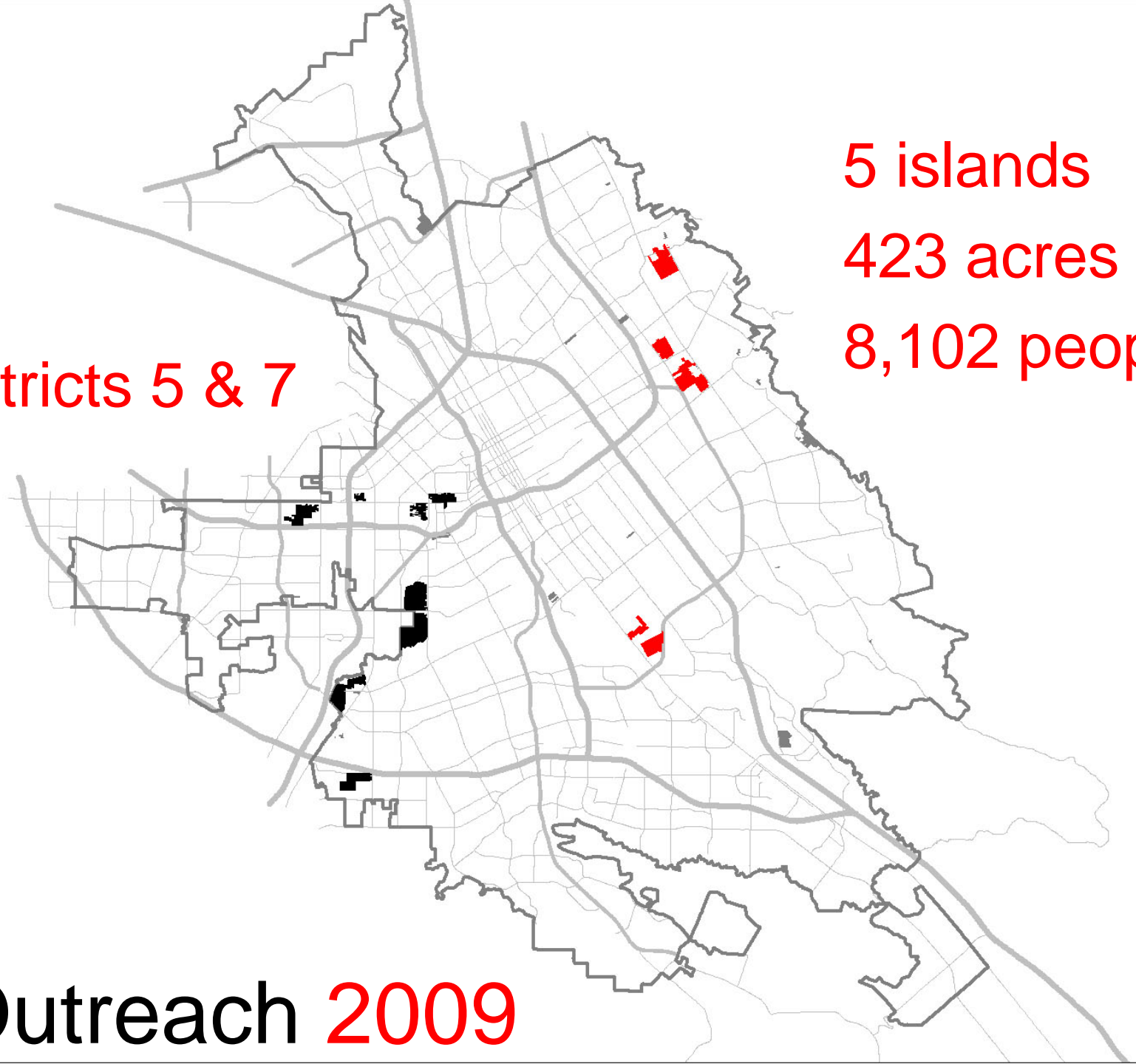
6 islands
475 acres
5,714 people

Outreach 2008

Districts 5 & 7

5 islands
423 acres
8,102 people

Outreach 2009



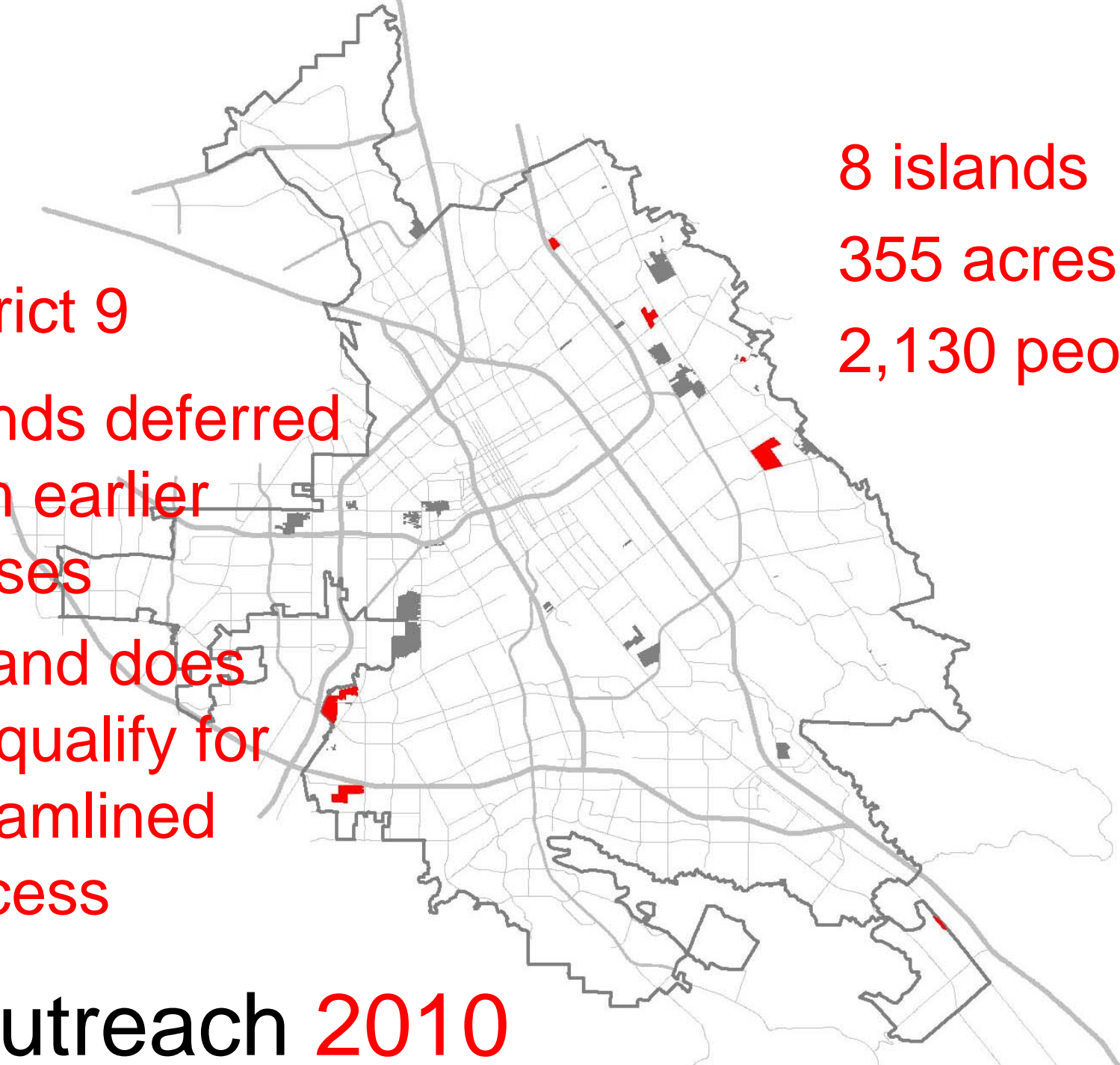
District 9

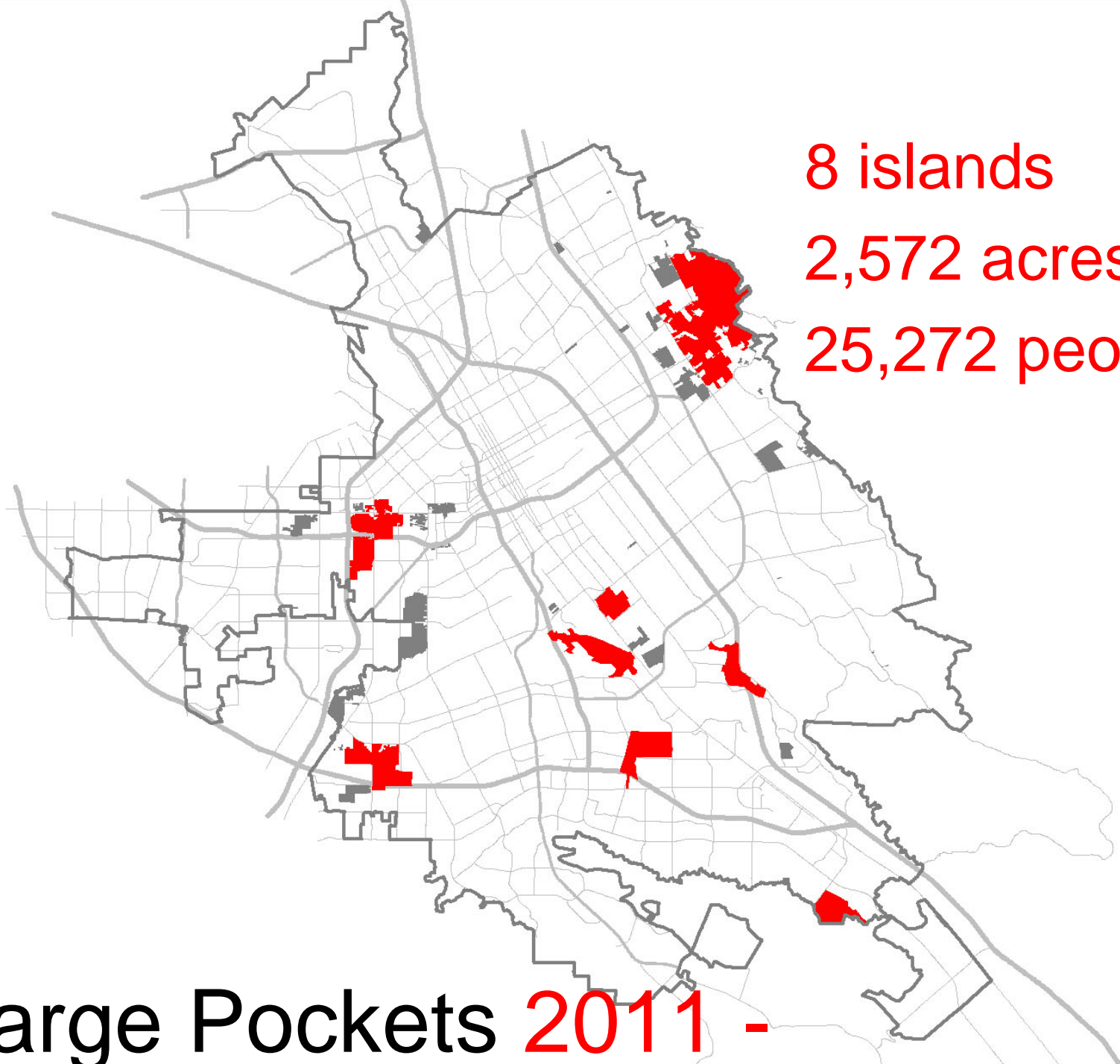
+ islands deferred
from earlier
phases

+1 island does
not qualify for
streamlined
process

8 islands
355 acres
2,130 people

Outreach 2010





8 islands

2,572 acres

25,272 people

Large Pockets 2011 -

Annexation Issues

- Coordination on street maintenance
- Access to County records
- Potential for property tax sharing agreement

Street Maintenance

- **City annexation includes 37 miles of streets**
- **City and County staff agree that 25 miles are due for pavement maintenance at a cost of approximately \$3.5 million**
- **City and County staff will evaluate potential funding source, such as Prop. 42 funding**

County Records

The City would like to initiate discussions with the County on obtaining records for the areas covered by island annexations.

For example: Improvement and utility plans
 Tract maps
 Building permits